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Congressman

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OPENING REMARKS OF CHAIRMAN BUYER

MILITARY PERSONNEL SUBCOMMITTEE MARK-UP

FISCAL YEAR 2001 NATIONAL DEFENSE AUTHORIZATION ACT

When we started the oversight and policy review process this year leading to mark-up it was clear that two fundamental challenges faced the subcommittee.

The first challenge – reforming the Defense Health Program – is not new. The subcommittee had taken an aggressive lead in past years not only to initiate pharmacy reforms, but also to generate solutions to active and retiree health care issues. What was new, however, was the sense of urgency by the Department of Defense to find lasting solutions – an urgency principally generated by the commitment of the Joint Chiefs of Staff to “fix” the TRICARE system. They sought, and we agreed fully, that the barriers to an effective TRICARE system had to be removed so that health care could promote – not detract from — readiness, recruiting and retention.

The second challenge facing the subcommittee – sustaining the viability of the all-volunteer military – also is not new. Substantial subcommittee effort last year had resulted in major reforms to military pay and benefits and retirement. However, as we all should have understood then, there are no silver bullets, no one-year fixes that will solve the deep economic and quality of life problems that are contributing to shortfalls in military readiness, recruiting and retention. What is required to sustain a healthy all volunteer force is the commitment to a long-term battle.

I believe the subcommittee mark fully meets both challenges, and exemplifies the subcommittee’s willingness to stay in the fight for the long haul.

REMOVING THE BARRIERS TO TRICARE

The health care policy and funding initiatives contained in the mark result directly from what we heard during our field hearings. The recommendations will remove a number of real barriers to an effective TRICARE system, and generate savings that can be redirected to pay for future benefits. Moreover, the health care proposals being made here today go well beyond the reforms contained in the budget request.

(MORE)

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In that vein, I still do not understand how the commendable, strong commitment by the Joint Chiefs of Staff to “fix” the health care system for all DOD beneficiaries, resulted in an Administration proposal that contained not one whit’s worth of support or benefit reform for military retirees.

The recommendations being made to the subcommittee do not suffer from that shortcoming.

Those recommendations in the health care area include:

- Elimination of co-payments for active duty family members and the inclusion of family members in the TRICARE Prime Remote program.
- A new TRICARE Senior Pharmacy Program to give the same level of benefits for Medicare-eligible military retirees as is now available to other TRICARE beneficiaries through the mail order pharmacy program, as well as in-network and out-of-network retail pharmacies.
- Establishment of an independent oversight group to make recommendations to Congress on what a permanent military health care program for the Medicare-eligible should provide – with the goal of implementing that permanent benefit in 2004.
- Claims processing reform, which has the potential to save substantial money, with additional investment funding recommended to the DHP to kick-start the reform effort.
- Required use of Internet-based systems to help improve claims processing, access to health care, and portability of benefits.
- Nearly \$135 million in additional funding to increase use of the military treatment facilities through the hiring of additional support staff, refurbishment of facilities, and procurement of technology and equipment.
- A requirement that the Secretary of Defense assess whether accrual funding of the DHP is required, and whether mandatory enrollment of beneficiaries should be required as a possible future step.

We are also fully committed to extending through 2003 the current Medicare-related demonstration programs. This extension will ensure each program receives a fair and comprehensive test, and that solid data is available on which to base a plan for benefit implementation in 2004.

These items would have been in the mark but for the fact that we are still trying to coordinate waivers of sequential referral with the committees of jurisdiction

Sustaining the All-Volunteer Military

I was pleased by Secretary Cohen’s commitment to a long-term effort to reduce out-of-pocket housing costs. It’s exactly the right kind of broad-based initiative needed to raise the economic health of the whole force.

My recommendations to the subcommittee for pay, bonuses and benefits also continue the broad-based approach that the subcommittee endorsed last year. They also target certain specific problems.

(MORE)

As in the health care arena, these initiatives go beyond what was requested in the budget. Specifically, the mark:

- Authorizes a targeted subsistence payment that is designed to assist the most economically challenged service personnel – principally those living off post and receiving food stamps.
- Directs an upward revision of minimum housing standards that will result in increased housing payments to junior enlisted personnel.
- Provides \$30 million, an increase of nearly 19 per cent over the budget request, to accelerate the reduction in service members' out-of pocket housing costs.
- Establishes a minimum dislocation allowance that would begin to reduce the substantial out-of-pocket costs military people experience while moving.
- Authorizes service members to participate in the Thrift Savings Plan (TSP).
- Provides targeted manpower increases — nearly 650 additional active duty Navy personnel, and a total of nearly 2,900 full time support personnel in the Army National Guard, the Army Reserve, Navy Reserve and Marine Corps Reserve – to meet critical readiness, force structure and recruiting needs.

With regard to recruiting and retention, it's an understatement to say that I was disappointed that the budget request left unfunded more than \$700 million in recruiting and retention requirements. That kind of shortfall tells me that the services, despite the rhetoric, are not yet fully committed to sustaining the all-volunteer force. The mark provides added funding to meet no more than one third of those unfunded requirements.

My caution to the services is that if they in the future do not step up more fully to meet their own identified needs, my willingness to step in on their behalf will be similarly reduced.

Beyond the points I have raised regarding the mark, I would say to all that this mark again represents a bi-partisan effort. Neil Abercrombie and I have worked closely and we have had great support from the subcommittee members. I thank Neil for his efforts and now recognize him for any remarks he wishes to make.

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